

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*  
*al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17-BK-3283-LTS

(Jointly Administered)

**This filing relates to the  
Commonwealth and ERS.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO AND THE EMPLOYEES  
RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF  
PUERTO RICO TO RESPONSE FILED BY LUZ M. ACEVEDO MERCADO [ECF NO.  
20601] TO THE FOUR HUNDRED FORTY-THIRD OMNIBUS OBJECTION  
(SUBSTANTIVE) TO DEFICIENT ADR CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”) and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS,” and together with the Commonwealth, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Debtors pursuant

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> file this reply (the “Reply”) in support of the *Four Hundred Forty-Third Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Deficient ADR Claims* [ECF No. 20501] (the “Four Hundred Forty-Third Omnibus Objection”). The Debtors respectfully represent as follows:

1. On April 1, 2022, the Debtors filed the Four Hundred Forty-Third Omnibus Objection seeking to disallow certain deficient claims (the “Claims to Be Disallowed”) which purport to assert obligations of the Commonwealth or ERS. As set forth in the Four Hundred Forty-Third Omnibus Objection, each of the Claims to Be Disallowed was transferred into the ADR Procedures<sup>3</sup> via the *Twenty-First Notice of Transfer of Claims to Alternative Dispute Resolution* [ECF No. 20241]. Pursuant to Section 2 of the ADR Procedures, the Debtors mailed an Information Request to each claimant associated with a Claim to Be Disallowed to obtain documentation and/or information necessary to enable the Debtors to reconcile the proof of claim. Each of the claimants associated with a Claim to Be Disallowed either did not respond to the Information Request, or responded but failed to provide information sufficient to enable the Debtors to ascertain the nature or basis of the purported liabilities. Accordingly, the Debtors filed the Four Hundred Forty-Third Omnibus Objection to object to the Claims to Be Disallowed.

2. Any party who disputed the Four Hundred Forty-Third Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on May 2, 2022 in accordance with the Court-approved notice attached to the Four Hundred Forty-Third Omnibus Objection as

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Four Hundred Forty-Third Omnibus Objection.

Exhibit C, which was served in English and Spanish on the individual creditors subject to the Four Hundred Forty-Third Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Sixteenth Amended Case Management Procedures* [ECF No. 20190-1]). *See Certificate of Service* [ECF No. 20558].

3. On April 25, 2022, Luz M. Acevedo Mercado (“Acevedo Mercado”) filed an untitled Spanish-language response to the Four Hundred Forty-Third Omnibus Objection [ECF No. 20601] (the “Response”).

4. On July 2, 2018, Acevedo Mercado filed a claim, which was logged by Prime Clerk LLC (now Kroll Restructuring Administration LLC) as Proof of Claim No. 104914 (the “Claim”). The Claim asserts Law 89, Romerazo, Law 96, Law 194, and retirement as its bases. The Claim does not assert a specific amount in purported liabilities. Nor does the Claim contain any additional information or supporting documentation.

5. On September 24, 2019, Acevedo Mercado, in response to a mailing request from the Debtors, submitted a supplemental information form. Therein, Acevedo Mercado asserts that he is owed \$46,800.00, and a pending legal action underlies the Claim. He further states that the pending legal action involves, among other things, assertions based on Law 198 and Law 96, and identifies case nos. 2012-05-2084, 2013-1542, and 2013-11-0224. Like the Claim, the supplemental mailing does not contain any additional information or supporting documentation.

6. Following the transfer of the Claim to ADR, an additional Information Request was mailed to Acevedo Mercado on March 1, 2022. Therein, the Debtors requested information regarding the asserted litigations, including the statuses of the cases. A response to the Information Request was due on March 24, 2022. Acevedo Mercado did not respond to the Information Request.

7. In the Response, Acevedo Mercado asserts that the Four Hundred Forty-Third Omnibus Objection is “deficient” because he “confirm[s] that [he] was working under the Department of Education from 1990-2020 with 30 years of service as a permanent teaching employee.” Response at 1. According to Acevedo Mercado, his years of service as a “teaching employee” mean that he is owed: (i) \$21,600.00 under Law 96-2002, which mandated salary increases of \$100 per month for certain public employees in active service as of July 1, 2002; and (ii) \$2,100 under Law 161, which mandated salary increases of \$25 per month for certain public employees in active service as of July 1, 2014. *Id.* The Response does not attach any supporting documentation or provide any additional information.

8. The Response does not provide any additional information regarding the purported pending legal action; it does not identify the claims or causes of action asserted in the litigation, and it does not explain whether such action is still pending. Without this basic information regarding the nature and basis of the asserted legal action, the Debtors are unable to assess the validity and amount of the Claim. Accordingly, because the Response does not cure the Claim’s deficiencies, the Claim remains deficient.

9. For the foregoing reasons, the Debtors respectfully request that the Court grant the Four Hundred Forty-Third Omnibus Objection and disallow the Claims, notwithstanding the Response.

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Dated: April 11, 2023  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

Hermann D. Bauer

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